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Item 4 of the provisional agenda
Report of the Programme and Budget Committee

Report of the Programme and Budget Committee on the work of its thirtieth session (25-26 June 2014)

Contents

		Paragraphs	*Page*
	Introduction	1-9	2
I.	Organizational and procedural matters	10-11	3
II.	Report of the External Auditor for 2013 (item 4)	12-13	3
III.	Financial situation of UNIDO, including unutilized balances of appropriations (item 5)	14-16	4
IV.	Annual Report of the Director General for 2013 (item 3)	17-18	5
V.	Mobilization of financial resources (item 6)	19-20	5
VI.	Date of the thirty-first session (item 7)	21-22	6
VII.	Adoption of the report (item 8) and closure of the thirtieth session	23-24	6
Annex			
	List of documents submitted to the thirtieth session		7

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Introduction

1. The Programme and Budget Committee held its thirtieth session at UNIDO Headquarters, Vienna International Centre, from 25 to 26 June 2014. The following 25 of the 27 Members of the Committee participated in the session: Austria, Brazil, Cameroon, China, Costa Rica, Côte d'Ivoire, Cuba, Finland, Germany, India, Iran (Islamic Republic of), Ireland, Italy, Japan, Kenya, Mexico, Nigeria, Pakistan, Poland, Republic of Korea, Russian Federation, Spain, Switzerland, Turkey and Ukraine.

2. The following 59 Members of UNIDO also attended the session: Afghanistan, Albania, Algeria, Angola, Argentina, Armenia, Belarus, Belgium, Bolivia (Plurinational State of), Burkina Faso, Colombia, Croatia, Cyprus, Czech Republic, Democratic People's Republic of Korea, Dominican Republic, Ecuador, France, Greece, Guatemala, Hungary, Indonesia, Iraq, Israel, Kazakhstan, Kuwait, Lao People's Democratic Republic, Lebanon, Libya, Luxembourg, Malaysia, Malta, Morocco, Namibia, Netherlands, Norway, Oman, Panama, Paraguay, Peru, Philippines, Portugal, Romania, Saudi Arabia, Serbia, Slovakia, Slovenia, South Africa, Sri Lanka, Sudan, Syrian Arab Republic, Thailand, the former Yugoslav Republic of Macedonia, Tunisia, Turkmenistan, Uruguay, Venezuela (Bolivarian Republic of), Viet Nam and Yemen.

3. The following United Nations body was represented: The United Nations Environment Programme (UNEP).

4. The following organizations were represented: the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Asian-African Legal Consultative Organization (AALCO) and the European Union (EU).

5. In accordance with rule 17 of its rules of procedure, the Committee elected by acclamation Mr. Viktor I. Zagrekov (Russian Federation) as Chairperson; H.E. Ms. Ana Teresa Dengo Benavides (Costa Rica), H.E. Mr. Abel Adelakun Ayoko (Nigeria), H.E. Mr. SONG Young-wan (Republic of Korea) as Vice-Chairpersons; and Mr. Ian Devine (Ireland) as Rapporteur.

6. The agenda for the thirtieth session as adopted by the Committee is contained in document PBC.30/1. Following the adoption of the agenda, the Director General made an introductory statement that was duly taken into account by the Committee in the consideration of the relevant agenda items.

7. The report of the Programme and Budget Committee is submitted to the Industrial Development Board in accordance with Article 10.4 (d) of the Constitution.

8. The report contains the conclusions reached by the Committee. The annex to the present report contains a list of documents submitted to the Committee at its current session.

9. The following conclusions of the Committee contain recommendations that call for action by the Board at its forty-second session or are of relevance to the work of that session:

Conclusion	Subject	Page
2014/2	Report of the External Auditor for 2013	3
2014/3	Financial situation of UNIDO	4
2014/4	Mobilization of financial resources	5

I. Organizational and procedural matters

10. On 25 June, the Committee considered a proposal by the Chairperson to optimize the utilization of available conference-servicing resources and adopted the following conclusion:

Conclusion 2014/1 Utilization of available conference-servicing resources

The Committee, with the aim of utilizing the available conference-servicing resources to the maximum extent possible, decided to suspend with immediate effect rule 24 of its rules of procedure relating to the quorum, for the meetings of its thirtieth session only, provided no substantive decisions were taken at those meetings.

11. The Committee decided to set up informal, in-session consultations with the aim of facilitating the drafting of conclusions and entrusted Vice-Chairperson H.E. Ms. Ana Teresa Dengo Benavides (Costa Rica), to chair those consultations.

II. Report of the External Auditor for 2013 (item 4)

12. On 25 June, the Committee considered the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial year 1 January to 31 December 2013 (PBC.30/3).

13. On 26 June, after consideration of a draft conclusion on the report of the External Auditor for 2013 submitted by the Chairperson (PBC.30/L.4), the Committee adopted the following conclusion:

Conclusion 2014/2 Report of the External Auditor for 2013

The Programme and Budget Committee:

(a) Following the recommendations made by the External Auditor, requested the Director General to present a report on the efficiency gains, including savings in administrative costs, achieved through the implementation of the Programme for Change and Organizational Renewal (PCOR) with emphasis on the introduction of the enterprise resource planning (ERP) system to the Industrial Development Board at its forty-second session;

(b) Recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

(a) Takes note of the report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial period 1 January to 31 December 2013, including the financial performance report, as contained in document IDB.42/3-PBC.30/3, and the *Annual Report of UNIDO 2013*, including the programme performance report for 2013 (IDB.42/2-PBC.30/2);

(b) Also takes note of the statements of the Director General and the External Auditor made at the thirtieth session of the Programme and Budget Committee;

(c) Expresses its gratitude to the External Auditor for the valuable services rendered by him;

(d) Recognizes the important contribution the External Auditor makes to the improvement of UNIDO's management, operations and performance through his recommendations;

(e) Requests the Director General to continue implementing the recommendations of the External Auditor and to report thereon to the Industrial Development Board at its forty-third session."

III. Financial situation of UNIDO, including unutilized balances of appropriations (item 5)

14. On 25 June, the Committee considered a report by the Director General on the financial situation of UNIDO (PBC.30/4), together with a report by the Director General on UNIDO's financial contribution to the United Nations Resident Coordinator System (PBC.30/6), a note by the Secretariat on the Financial Regulations of UNIDO (PBC.30/CRP.2) and a note by the Secretariat on the status of assessed contributions (PBC.30/CRP.3).

15. On 26 June, the Committee continued to consider this item and took note of the information provided by Mr. Hans d'Orville (Assistant Director-General for Strategic Planning and Representative to the UNDG, UNESCO).

16. On 26 June, after consideration of a draft conclusion on the financial situation of UNIDO submitted by the Chairperson (PBC.30/L.2), the Committee adopted the following conclusion:

Conclusion 2014/3 Financial situation of UNIDO

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

(a) Takes note of the information provided in document IDB.42/4-PBC.30/4;

(b) Urges those Member States and former Member States that have not yet paid their assessed contributions, including advances to the Working Capital Fund and prior years' arrears, to do so without delay;

(c) Requests the Director General to pursue his efforts and contacts with Member States and former Member States to effect the collection of arrears."

IV. Annual Report of the Director General for 2013 (item 3)

17. On 25 June, the Committee considered the *Annual Report of UNIDO 2013* (PBC.30/2) and a summary submitted by the Secretariat on the UNIDO Forum on Strategies and Instruments for Inclusive and Sustainable Industrial Development, 23 and 24 June 2014 (PBC.30/CRP.5).

18. On 26 June, at the suggestion of the Chairperson, the Committee took note of the information provided by the Director General on item 3.

V. Mobilization of financial resources (item 6)

19. On 26 June, the Committee considered information on funding performance contained in chapter 1 of the *Annual Report of UNIDO 2013* (PBC.30/2), a report by the Director General on the mobilization of financial resources (PBC.30/5) and a note by the Secretariat on projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2013 (PBC.30/CRP.4).

20. On 26 June, after consideration of a draft conclusion on the mobilization of financial resources submitted by the Chairperson (PBC.30/L.3), the Committee adopted the following conclusion:

Conclusion 2014/4 Mobilization of financial resources

The Programme and Budget Committee recommended to the Industrial Development Board the adoption of the following draft decision:

"The Industrial Development Board:

(a) Takes note of the information contained in document IDB.42/5-PBC.30/5;

(b) Decides to delegate to the Director General the authority to approve projects for financing under the Industrial Development Fund in 2014 and 2015 in accordance with the priorities defined in the medium-term programme framework 2010-2013 (IDB.35/8/Add.1), adjusted in the midterm review of the medium-term programme framework 2010-2013 (IDB.39/8*), and extended until the expiry of the biennium 2014-2015, following decision GC.15/Dec.17;

(c) Encourages Member States and other donors to increase their voluntary contributions to UNIDO;

(d) Also encourages all donors to consider contributing programmable funds, specifically to enable UNIDO to respond rapidly to requests for

assistance and develop and implement its programmatic activities in a prompt and coordinated manner;

(e) Requests Member States to consider contributing to UNIDO to enable the Organization to work with funding sources requiring co-funding, either through contributing to the dedicated trust funds or by special purpose funding at country or global level;

(f) Encourages Governments of recipient countries to play an active role in sharing with UNIDO the responsibility for mobilizing funds for jointly agreed priority activities, and specifically to take the lead in identifying and accessing funds available at the country level, including local cost sharing opportunities, and funds from bilateral donors, multi-donor trust funds, United Nations Development Programme, World Bank as well as other development finance institutions;

(g) Strongly recommends that Member States cooperate with and support the Organization in its efforts to develop and promote its programmes and initiatives in the international development context, and especially through international conferences and other forms of dialogue, in order to ensure that these initiatives are well known, their relevance for international development targets are recognized, and resources are made available."

VI. Date of the thirty-first session (item 7)

21. On 26 June, the Committee took note of the entry contained in the annotated agenda (PBC.30/1/Add.1) on the dates reserved for the policymaking organs of UNIDO in 2014 and 2015.

22. On 26 June, after consideration of a draft conclusion on the date of the thirty-first session, submitted by the Chairperson (PBC.30/L.5), the Committee adopted the following conclusion:

Conclusion 2014/5 Date of the thirty-first session

The Programme and Budget Committee decided to hold its thirty-first session from 27 to 29 May 2015.

VII. Adoption of the report (item 8) and closure of the thirtieth session

23. On 26 June, the Committee adopted the draft report on the work of its thirtieth session (PBC.30/L.1) on the understanding that the Rapporteur would be entrusted with the task of finalizing the report.

24. The Committee closed its thirtieth session at 3.22 p.m. on 26 June 2014.

Annex

List of documents submitted to the thirtieth session

Symbol	*Agenda item*	*Title*
PBC.30/1	2	Provisional agenda
PBC.30/1/Add.1	2	Annotated provisional agenda
PBC.30/2 IDB.42/2	3	*Annual Report of UNIDO 2013*
PBC.30/3 IDB.42/3	4	Report of the External Auditor on the accounts of the United Nations Industrial Development Organization for the financial year 1 January to 31 December 2013
PBC.30/4 IDB.42/4	5	Financial situation of UNIDO. Report by the Director General
PBC.30/5 IDB.42/5	6	Mobilization of financial resources. Report by the Director General
PBC.30/6 IDB.42/6	5	UNIDO's financial contribution to the United Nations Resident Coordinator system. Report by the Director General
PBC.30/7		Lists of States included in Annex I to the Constitution of UNIDO. Note by the Secretariat
Conference room papers		
PBC.30/CRP.1	2	List of documents
PBC.30/CRP.2	5	Financial Regulations of UNIDO. Note by the Secretariat
PBC.30/CRP.3	5	Status of assessed contributions. Note by the Secretariat
PBC.30/CRP.4	6	Projects approved under the Industrial Development Fund, trust funds and other voluntary contributions in 2013. Prepared by the Secretariat
PBC.30/CRP.5	2	UNIDO Forum on Strategies and Instruments for Inclusive and Sustainable Industrial Development, 23 and 24 June 2014. Summary submitted by the Secretariat